



August 7, 2025

Listed Company Name: ESPEC CORP.
Representative: Satoshi Arata, President
Listed Stock Exchange: Tokyo Stock Exchanges,
Prime Market
Securities Code: 6859
Contact: Hideyuki Oda, Executive Officer
Chief Officer of Corporate Control Headquarters
Tel: +81-6-6358-4741

Notice Concerning Introduction of a Trust-type Employee Shareholding Incentive Plan (E-Ship®)

ESPEC CORP. (the “Company”) hereby announces that it resolved at the Board of Directors meeting held on August 7, 2025, to introduce a Trust-type Employee Shareholding Incentive Plan (E-Ship®), for the purpose of giving an incentive to the employees of the Company to enhance corporate value in the medium- to long-term, improving their benefits, and encouraging steady growth of the Company by elevating their work motivation through capital participation, as described below.

Description

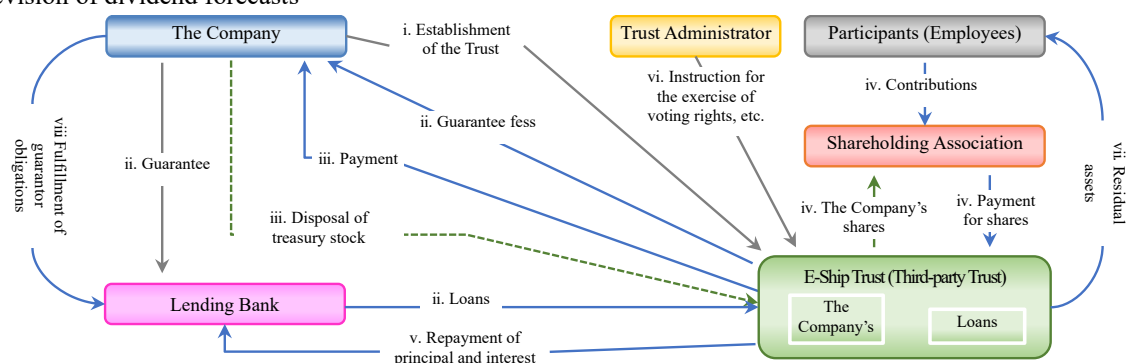
1. Overview of the Plan

The Plan is an incentive plan for all employees participating in the ESPEC Employee Stockholding Association (the “Shareholding Association”). Under the Plan, the Company will establish a ESPEC Employee Shareholding Incentive Plan Trust (the “E-Ship Trust”) with a trust bank. The E-Ship Trust will acquire, in advance, through a third-party allotment from the Company, a number of the Company’s shares equivalent to the number that the Shareholding Association is expected to acquire over the next 2 years and 8 months, using loans from financial institutions as funds.

Subsequently, the E-Ship Trust will continuously sell the Company’s shares to the Shareholding Association. If any gains on the sale of shares have accumulated in the E-Ship Trust at the termination of the trust, then these gains will be distributed as residual assets to employees who meet the requirements for eligible beneficiaries. Furthermore, as the Company will become the guarantor of the loans taken by E-Ship Trust to acquire the Company’s shares, if any losses on the sale of shares have accumulated in the E-Ship Trust owing to a decline in the price of the Company’s shares, and there are any outstanding loans payable equivalent to these losses in the E-Ship Trust at the termination of the trust, the Company will repay these remaining loans payable.

In conjunction with the introduction of the Plan, the Company, at the same time, has resolved a one-time disposal of 135,500 shares (equivalent to approximately ¥450 million) of the 1,708,804 shares of treasury stock it currently holds (as of June 30, 2025) to E-Ship Trust. For details, please refer to “Notice Concerning Disposal of Treasury Shares Rights Through Third-Party Allotment in Conjunction with the Introduction of a Trust-type Employee Shareholding Incentive Plan (E-Ship®)” dated today.

2. Revision of dividend forecasts



- The Company establishes an E-Ship Trust (Third-party Trust) whose beneficiaries are participants in the Shareholding Association who meet the beneficiary eligibility requirements.
- The E-Ship Trust takes out loans for funds necessary to acquire the Company's shares from the lending bank, and the Company becomes the guarantor for the said loans. The Company receives guarantee fees from EShip Trust as consideration for the guarantee.
- The E-Ship Trust acquires the Company's shares that are expected to be acquired by the Shareholding Association from the Company during the trust term.
- The E-Ship Trust continuously sells the Company's shares acquired in iii. to the Shareholding Association throughout the trust term at market value according to a prescribed plan (terms, conditions, and method).
- The E-Ship Trust repays the principal and interest of the loans with the proceeds from the sale of the Company's shares to the Shareholding Association and the dividends from the Company's shares it holds.
- The E-Ship Trust exercises its voting rights with respect to the Company's shares it holds as instructed by the Trust Administrator selected for the beneficiaries.
- If any residual assets remain in the E-Ship Trust at the end of the trust term, they are distributed to those who meet the beneficiary eligibility requirements.
- If any outstanding loans remain in the E-Ship Trust at the end of the trust term, the Company shall repay them, based on its obligations as guarantor described in ii.

3. Overview of the E-Ship Trust

- (1) Name: ESPEC Employee Shareholding Incentive Plan Trust
- (2) Trustor: The Company
- (3) Trustee: The Nomura Trust and Banking Co., Ltd.
- (4) Beneficiaries: Those who meet the beneficiary eligibility requirements (certain prescribed procedures must be completed after occurrence of the events determining the beneficial interests)
- (5) Trust contract date: August 7, 2025
- (6) Trust term: August 7, 2025, to March 29, 2028
- (7) Purpose of the trust: Stable and continuous supply of shares to the Shareholding Association and distribution of trust assets to those who meet the beneficiary eligibility requirements
- (8) Beneficiary eligibility requirements: All persons who are alive and participants in the Shareholding Association on the start date of the beneficiary determination procedures (the date on which the trust term ends and the trust assets are converted into cash; the date on which all shares of the Company held as trust assets are sold to the Shareholding Association, etc.) (including persons, who, from August 7, 2025 to the start date of the beneficiary determination procedures, have resigned from the Shareholder Association because they reached the compulsory retirement age, transferred, or were promoted to an officer).

(For reference)

E-Ship® is a registered trademark of Nomura Securities Co. E-Ship® (an abbreviation for Employee Shareholding Incentive Plan) is an incentive plan for employees developed by Nomura Securities Co., Ltd. and Nomura Trust & Banking Co., Ltd. by applying the structure of an employee stock ownership plan (ESOP), which is popular in the United States, to an employee stock ownership plan.